

### **303 - HOME AND COMMUNITY BASED SERVICES RECONCILIATION: ALTCS**

EFFECTIVE DATE: 10/01/11, 10/01/13, 10/01/15

REVISION DATE: 11/21/13, 10/27/15, 10/27/15

STAFF RESPONSIBLE FOR POLICY: DHCM FINANCE

#### **I. PURPOSE**

This Policy applies to ALTCS/EPD Contractors for CYE 12 and forward. A contract year is defined as October 1 to September 30. This Policy establishes guidelines regarding reconciliation of the assumed Home and Community Based Services (HCBS) member month mix percentage used for capitation rate development against actual HCBS placement.

#### **II. DEFINITIONS**

##### **HCBS PLACEMENT TYPES**

| <b>CYE 12 AND CYE 13</b>                  | <b>CYE 14 AND AFTER</b>                   |
|-------------------------------------------|-------------------------------------------|
| Adult Foster Care                         | Adult Foster Care                         |
| Assisted Living Center                    | Assisted Living Center                    |
| Assisted Living Home                      | Assisted Living Home                      |
| Adult Therapeutic Foster Care             | <i>Removed</i>                            |
| Adult Development Home                    | Adult Development Home                    |
| Adult Behavioral Health Therapeutic Home  | Adult Behavioral Health Therapeutic Home  |
| Behavioral Health Level II                | Behavioral Health Residential Facility    |
| Behavioral Health Level III               |                                           |
| Behavioral Health Services Center         | <i>Removed</i>                            |
| Child Developmental Foster Home           | Child Developmental Foster Home           |
| Group Home for Developmentally Disabled   | Group Home for Developmental Disability   |
| Home                                      | Home                                      |
| Traumatic Brain Injury Treatment Facility | Traumatic Brain Injury Treatment Facility |
| Rural Substance Abuse Transitional Agency | Substance Abuse Transitional Facility     |

##### **INSTITUTIONAL PLACEMENT TYPES**

| <b>CYE 12 AND CYE 13</b>                                         | <b>CYE 14 AND AFTER</b>                           |
|------------------------------------------------------------------|---------------------------------------------------|
| Institution                                                      | Institution                                       |
| Level I Behavioral Health Center<br>Residential Treatment Center | Residential Treatment Center                      |
| Psychiatric Hospital/Institute for Mental Disease                | Psychiatric Hospital/Institute for Mental Disease |

**III. POLICY****A. GENERAL**

1. The reconciliation shall relate solely to HCBS assumed member months and actual placement data as determined by monthly placement reports.
2. The reconciliation will limit Contractor's profit and losses to the schedule as detailed below.

**HCBS Assumed Mix and Recoupment:** The Contractor's capitation rate is based in part on the assumed ratio ("mix") of HCBS member months to the total number of member months (i.e. HCBS + institutional). After the end of the contract year, AHCCCS will compare the *actual percent of* HCBS member months to the *assumed* HCBS percentage that was used to calculate the full long term care capitation rate for that year. Member months for those members who received acute care services only are not included in this reconciliation. If the Contractor's actual HCBS percentage is different than the assumed percentage, AHCCCS may recoup (or reimburse) the difference between the institutional capitation rate and the HCBS capitation rate for the number of member months which exceeded (or was less than) the assumed percentage. This reconciliation will be made in accordance with the following schedule:

| <b>PERCENT OVER/UNDER<br/>ASSUMED PERCENTAGE</b> | <b>AMOUNT TO BE<br/>RECOUPED/REIMBURSED</b> |
|--------------------------------------------------|---------------------------------------------|
| 0-1%                                             | 0% of capitation over/under payment         |
| >1%                                              | 50% of capitation over/under payment        |

**B. AHCCCS SHALL:**

1. Run monthly placement reports by member by month to be used for the development of the schedule of HCBS and Institutional placement mix,
2. Perform the HCBS reconciliation no sooner than four months after the contract year to be reconciled,
3. Reconcile the HCBS mix based on the schedule of HCBS and Institutional placement mix, capitation rates developed for the contract year and the actual HCBS placed member months, and
4. Provide the Contractor a reconciliation spreadsheet and provide a set time period for review and comment by the Contractor. Upon completion of the review period, AHCCCS will evaluate the Contractor's comments and make any adjustments to the reconciliation as warranted. AHCCCS may then process distributions/recoupments through a future monthly capitation payment.

**C. THE CONTRACTOR SHALL:**

1. Review monthly placement information supplied through the ALTCS Monthly Enrollment Reports and any other enrollment or capitation paid data and make corrections to the member's placement data if necessary during the contract year,
2. Be responsible to identify and notify AHCCCS of any placement data issues and make necessary adjustments either directly via the Client and Tracking System (CATS) or electronic Member Change Report (MCR) submitted to the Division of Health Care Management when contract type changes are necessary. See the [ALTCS Member Change Report User Guide](#) for a tutorial on the process for reporting to AHCCCS via the electronic MCR, and
3. Be responsible to review and approve the HCBS reconciliation and return the approval to AHCCCS per instructions provided with the reconciliation spreadsheet.

**IV. REFERENCES**

- ALTCS/EPD Contract, Section D
- ALTCS Member Change Report User Guide